

6333.0 - Characteristics of Employment, Australia, August 2017

Previous ISSUE Released at 11:30 AM (CANBERRA TIME) 26/02/2018

Summary

Key Findings

KEY FINDINGS

In 2017, employees earned a median weekly pay of \$1019 per week, earning an extra \$19 per week (+2%) compared to 2016. Around 25% employees earned less than \$660 per week, and around 50% of employees earned between \$660 and \$1512 per week. The top 10% of employees earned more than \$2109 per week.

The median hourly earnings for employees in 2017 was \$30 per hour. Around 25% of employees earned less than \$24 per hour, and 50% of employees earned between \$24 and \$43 per hour. The top 10% of employees earned more than \$60 per hour.

Full-time and Part-time

The median earnings for employees who worked full-time was \$1261 per week, with the median weekly earnings for men at \$1342, compared to \$1187 for women. Median full-time earnings for both men and women went up \$42-43 per week over the previous year, although this followed two years of essentially no growth for men, while women increased \$20-25 each year over the same period.

For part-time workers, the median employee earnings was \$500 per week, with women higher at \$540 per week compared to \$435 for males. The median part-time weekly earnings increased \$40 for women in 2017 after two years of essentially no growth, whereas median weekly earnings for men working part-time increased \$10-\$20 each year over the same period.

Casual employees

The median earnings for casual employees was \$504 per week. Men in casual jobs skewed higher at \$688 per week, earning an extra \$88 per week after two years of essentially no growth. Casual earnings for women skewed lower at \$430, with an increase of \$30 over the previous year.

Men and Women

Hourly earnings for men and women working full-time were similar, with the middle range (interquartile range) for men between \$25 and \$48 per hour, and for women \$25 to \$44 per hour. For part-time workers, women earned between \$22 and \$36 per hour, compared to men who earned between \$20 and \$32 per hour.

Women living alone had median weekly earnings of \$1080 per week, compared with women living in families with dependants who earned \$900 per week (the same for both women in couples and as lone parents). In contrast, men living alone earned \$1200 per week, but men living in couple families with dependants earned \$1500 per week, and \$1437 as lone parents.

States and Territories

In 2017, the Australian Capital Territory was the region with the highest median earnings at \$1281 per week, followed by the Northern Territory at \$1200. Western Australia and New South Wales had median earnings higher than the national level, while Victoria and Queensland were slightly below. South Australia and Tasmania had the lowest median earnings, at \$990 and \$950 respectively. Compared to 2016, median earnings for most states and territories increased between \$30 to \$60 per week, except for Western Australia (+\$20), Victoria (+\$9) and Queensland (essentially no growth for two years).

Of the state capital cities, Perth and Sydney held the highest median weekly earnings at around \$1100 per week. Male median earnings were highest in Perth (\$1349), and female median earnings were highest in Sydney (\$979 per week).

Industry of main job

The top three industries with highest median weekly earnings were Mining (\$1913), Electricity, Gas, Water and Waste Services (\$1527), and Professional, Scientific and Technical Services (\$1380). The industries with the lowest median weekly earnings were Arts and Recreation Services (\$800), Retail Trade (\$700), and Accommodation and Food Services (\$500).

The industries with the biggest gap between the median hourly earnings of men and women were Professional, Scientific and Technical Services (\$46 per hour for men, \$33 for women), Financial and Insurance Services (\$46 for men, \$34 for women) and Information Media and Telecommunications (\$42 for men, \$31 for women).

Industries with similar median hourly earnings for men and women (a gap of less than \$1) were Public Administration and Safety, Administrative and Support Services, Electricity, Gas, Water and Waste Services, Arts and Recreation Services, and Agriculture, Forestry and Fishing.

Occupation of main job

Employees in high skilled jobs (skill level 1) had a middle range (interquartile range) of earnings between \$1020 and \$2000 per week and between \$33 and \$58 per hour. In contrast, workers in low skilled jobs (skill level 5) had middle range earnings between \$280 and \$900 per week, and between \$20 and \$28 per hour.

Managers had the largest gap between the median hourly earnings of men and women (\$45 per hour for men, \$37 for women), followed by Professionals (\$47 for men, \$41 for women). Sales Workers and Labourers had the smallest gap in median hourly earnings (\$25-24 for men, \$23 for women).

Highest non-school qualification

Employees with a bachelor degree had a middle range (interquartile range) of weekly earnings between \$880 and \$1800 per week (\$28 to \$53 per hour), whereas employees without a non-school qualification had a range between \$423 and \$1155 per week (\$20 to \$32 per hour).

Employees with a Postgraduate degree had the highest median earnings of \$1500 per week, compared with \$1280 for those with a Bachelor degree, and \$1035 for those with a Certificate III/IV qualification. When comparing median hourly earnings, employees with any kind of non-school qualification earned an extra \$8 per hour than those without a non-school qualification (\$33 and \$25 per hour respectively).

For further information about income and earnings see the 'Fact Sheet: Income and Earnings, published in the Labour Statistics: Concepts, Sources and Methods (cat. no. 6102.0.55.001).

Improvements to Characteristics of Employment 2017

IMPROVEMENTS TO CHARACTERISTICS OF EMPLOYMENT 2017

A new focus on median weekly earnings

For the Characteristics of Employment survey, median weekly earnings are considered to be a more robust measure of centre for earnings data and have been given more prominence this issue. Some information regarding mean weekly earnings is still provided, with more detailed information available from ABS TableBuilder.

Introducing hourly earnings

Alongside weekly earnings, an hourly earnings measure has been introduced. This allows groups to be compared based on the value of one hour of work, regardless of the amount of hours that are usually worked or paid for each week.

Regular rebenchmarking

From this issue onwards, Characteristics of Employment will move to regular rebenchmarking to reflect the most recently available release of Estimated Resident Population (ERP) data.

Estimates for the period 2004-2016 have been revised to incorporate the latest benchmarks and all estimates, including 2017, are comparable with estimates published in the November 2017 issue of Labour Force, Australia (cat. no. 6202.0).

Trend factor adjustments

To reduce the impact of seasonal and irregular effects on total employment, the estimates have been adjusted by factors based on trend Labour Force Survey (LFS) estimates (as published in November 2017). For measures collected in August, which have a seasonal pattern of typically lower estimates, the factors applied result in an increase to the total number of employed to match trend LFS estimates. For more information refer to the Explanatory Notes.

Data linking between surveys

In 2014, the Characteristics of Employment survey was introduced to replace the employment based surveys run in August and November. In this issue, historical data collected prior to 2014 from these August and November surveys have been linked together for respondents who remained employed and answered both surveys. Similarly, data relating to educational qualifications have been linked between May and August surveys. This provides more historical context to the current measures, but these data-linked estimates are based on a sample half the usual size, with larger margins of error and different seasonal impacts. See the Explanatory Notes for more details.

Definition of employees

Since 2014, the definition of employees was revised to include people who worked for commission only (without a retainer). From this issue, measures relating to employees for the period 2004-2013 have been revised to reflect this change.

Employees without paid leave entitlements are referred to as "casual employees," and employees with paid leave entitlements are "permanent employees."

Unless otherwise stated, owner managers of incorporated enterprises (OMIES) have been excluded from measures relating to employees.

Introducing skill level of main job

The Australian and New Zealand Standard Classification of Occupations (ANZSCO) is a skill-based classification used to classify all occupations and jobs in the Australian and New Zealand labour markets. In line with the ANZSCO, occupation data have been grouped by skill level alongside the standard major occupation groups, providing an alternative view on the nature of work. Under this classification every occupation is assigned a skill level from 1 (high-skilled) to 5 (low-skilled) based on the range and complexity of the particular set of tasks performed in that job.

Other classification updates

For the period 2004-2013, the Capital City and Rest of State estimates were updated to match the Australian Statistical Geography Standard (ASGS) that was used from 2014 onwards.

For the period 2004-2005, Industry and Occupation estimates were updated to match the Australian and New Zealand Standard Industrial Classification (ANZSIC) and ANZSCO standards that were used from 2006 onwards.

For more information, refer to the Explanatory Notes.

Improvements to Imputation

Improvements were made to the imputation and outlier process for earnings data, relating to the addition of skill level of main job and hourly earnings information into the process. These improvements have been applied to the period 2014-2017 resulting in revisions over this period.

About this Release

Contains information on: weekly earnings of employees which shows the distribution of weekly earnings of all wage and salary earners classified by full-time/part-time workers; employment characteristics which presents data on trade union membership, fixed-term contracts, and independent contracts all of which can be cross classified by other employment characteristics such as hours worked, industry, occupation and sector of job as well as personal characteristics.

Recent Trends in Earnings (Feature Article)

RECENT TRENDS IN EARNINGS

USING DATA FROM THE CHARACTERISTICS OF EMPLOYMENT SURVEY TO INFORM ON RECENT TRENDS IN EARNINGS

Wage Price Index and Average Weekly Earnings figures have indicated that the overall growth in wages and earnings have decreased in recent years, with a downwards shift occurring from 2012 through 2017 (see Wage Price Index and Average Weekly Earnings).

Using information produced from the Characteristics of Employment Survey, an annual supplementary survey collected in conjunction with the monthly Labour Force Survey in August, it is possible to explore earnings by different demographic and employment characteristics (see Labour Statistics: concepts, sources and methods for information on the different outputs of earnings and wages produced by the ABS). This article presents and contrasts the earnings of employees over the recent five year period of reduced earnings growth, August 2012 to August 2017, against the five year period prior to this, August 2007 to August 2012, according to a range of employment characteristics.

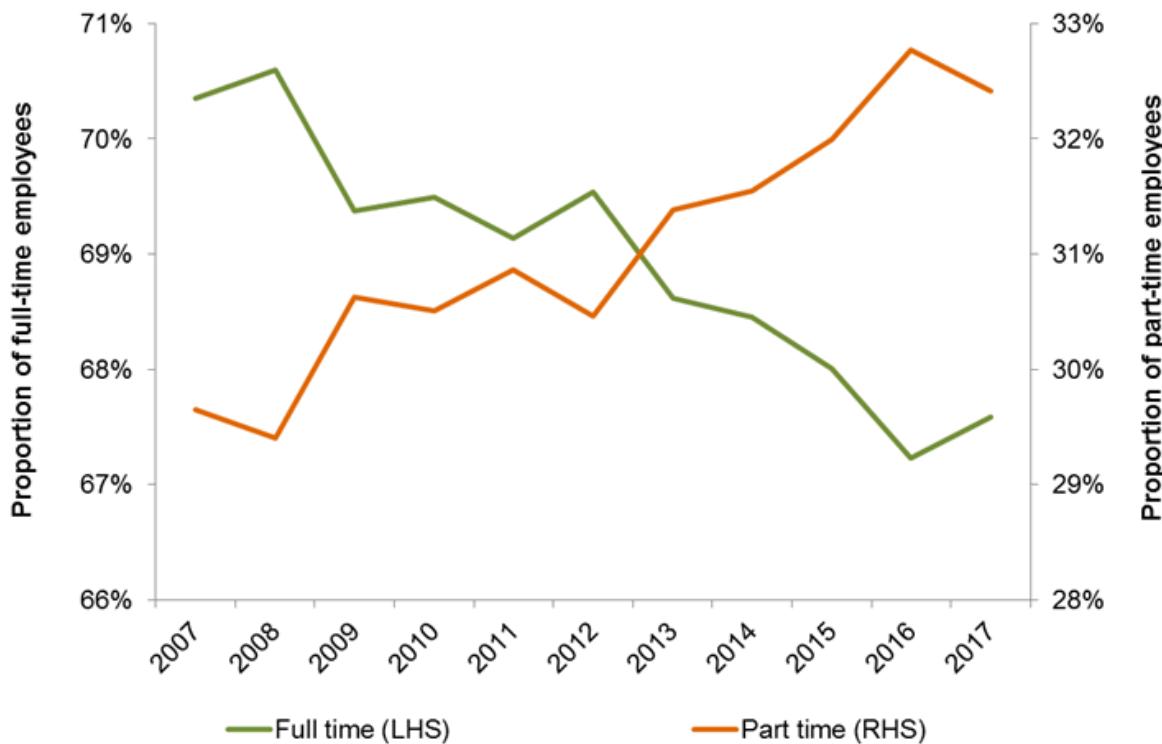
The first part of this article compares the average weekly earnings growth of male and female employees in 2007- 2012 and 2012-2017 in conjunction with the compositional changes that have occurred in full-time – part-time and casual employment over the decade. The second part of the article focuses on casual and permanent full-time male employees, contrasting the earnings of these two groups according to their occupation skill level, industry and tenure of employment.

While the primary focus of the article is to present a high level summary on the groups and specific employment characteristics noted above, further information on other groups and their detailed employment characteristics are provided in the data cubes and associated microdata products (see Characteristics of Employment).

FULL TIME AND PART TIME EMPLOYEES IN MAIN JOB: MEDIAN WEEKLY EARNINGS – BY SEX

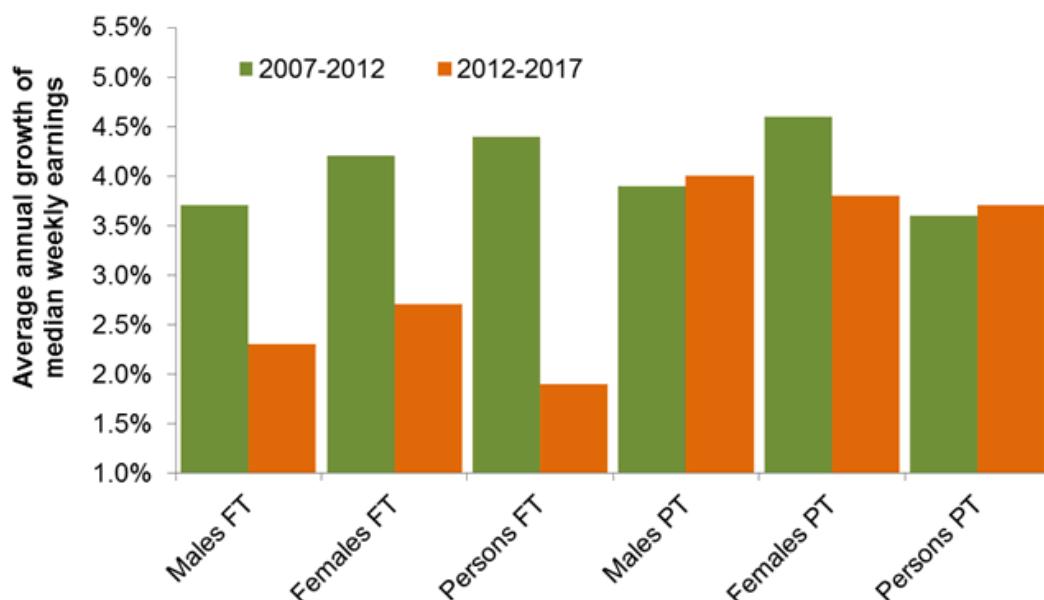
The proportion of full-time employees decreased from 70.6% in August 2008 to 67.6% in August 2017 (figure 1.0, appendix tab 1). This decline in the proportion of full-time employees was seen for both men and women, with the proportion of full-time male employees reducing from 84.8% in August 2008 to 81.6% in August 2017, and the proportion of full-time female employees reducing from 55.1% to 53.2% (appendix tab 1).

Figure 1.0 - Proportional share of full-time and part-time employees



Coinciding with this overall decrease in the share of employees working full-time hours, the average growth of median weekly earnings for both male and female full-time employees reduced in 2012-2017 when compared to 2007-2012. Over the decade, as the overall proportion of part-time employees increased (figure 1.0), the average annual growth of median weekly earnings for part-time male employees remained relatively stable across the 2007-2012 and 2012-2017 periods, whilst that of part-time female employees decreased in the 2012-2017 period (figure 1.1, appendix tab 1).

Figure 1.1 : Full-time and part-time employees by sex: average annual growth of median weekly earnings¹

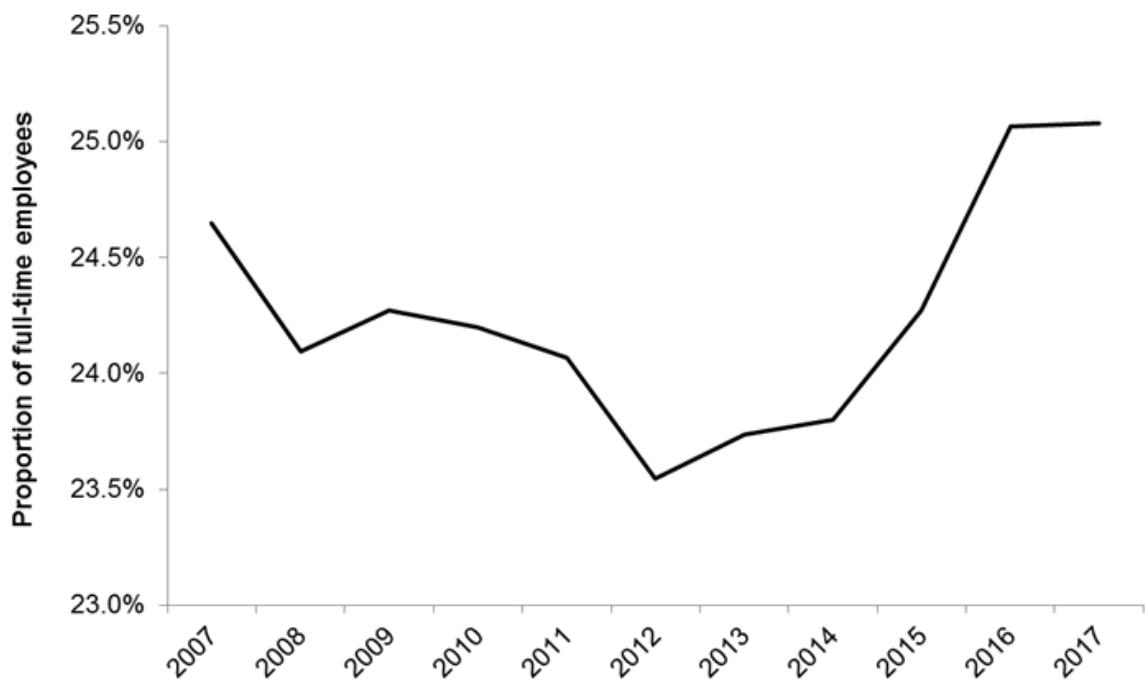


¹ Average annual growth of median weekly earnings is calculated as a simple five year average of the yearly growth in median weekly earnings for the separate 2007-08 to 2011-12 and 2012-13 to 2016-17 periods – see the appendix for calculations.

FULL-TIME AND PART-TIME EMPLOYEES IN MAIN JOB: MEDIAN WEEKLY EARNINGS – BY CASUAL AND PERMANENT

The overall proportion of casual employees increased from 23.5% in August 2012 to 25.1% in August 2017, with the proportion of casual male employees increasing from 21.0% to 23.1% and the proportion of casual female employees increasing from 26.2% to 27.1% (figure 2.0, appendix tab 2). This represents an increase of 472,000 casual employees from 2007 to 2017.

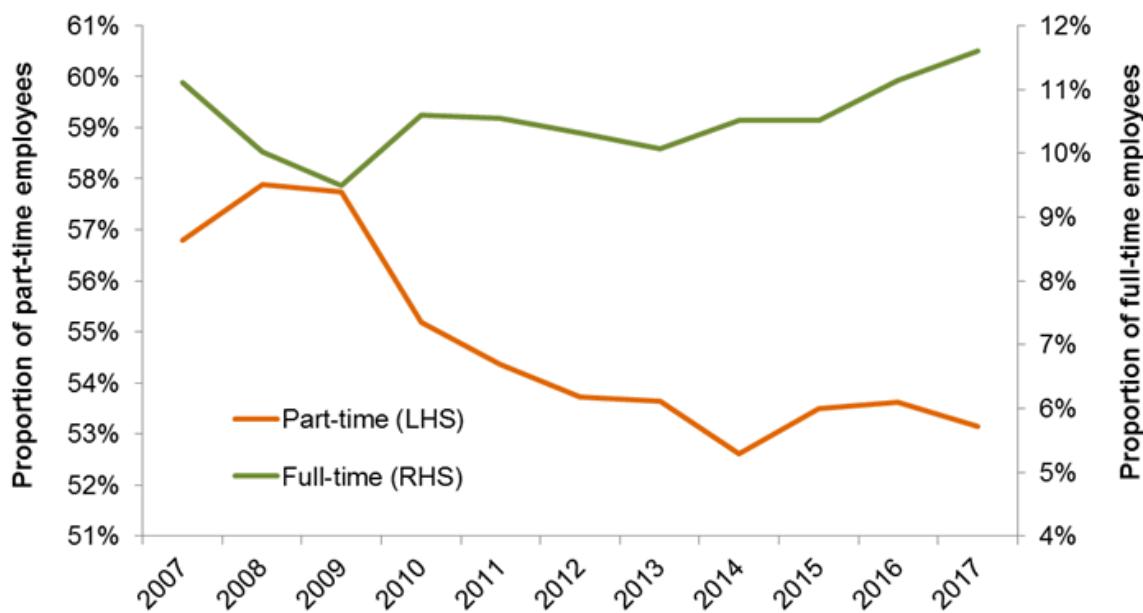
Figure 2.0 - Casual employees as a proportion of all employees ²



² 'Employees without paid leave entitlements' are referred to in this article as 'casual employees', while all other employees are referred to as 'permanent employees'. Some permanent employees may be employees on fixed-term contracts who have the same conditions as permanent employees, and have been combined with ongoing permanent employees.

Although the overall proportion of full-time employees decreased, the proportion of full-time casual employees increased from August 2009 to August 2017 whilst the proportion of part-time casual employees decreased from August 2009 to August 2017 (figure 2.1, appendix tab 2).

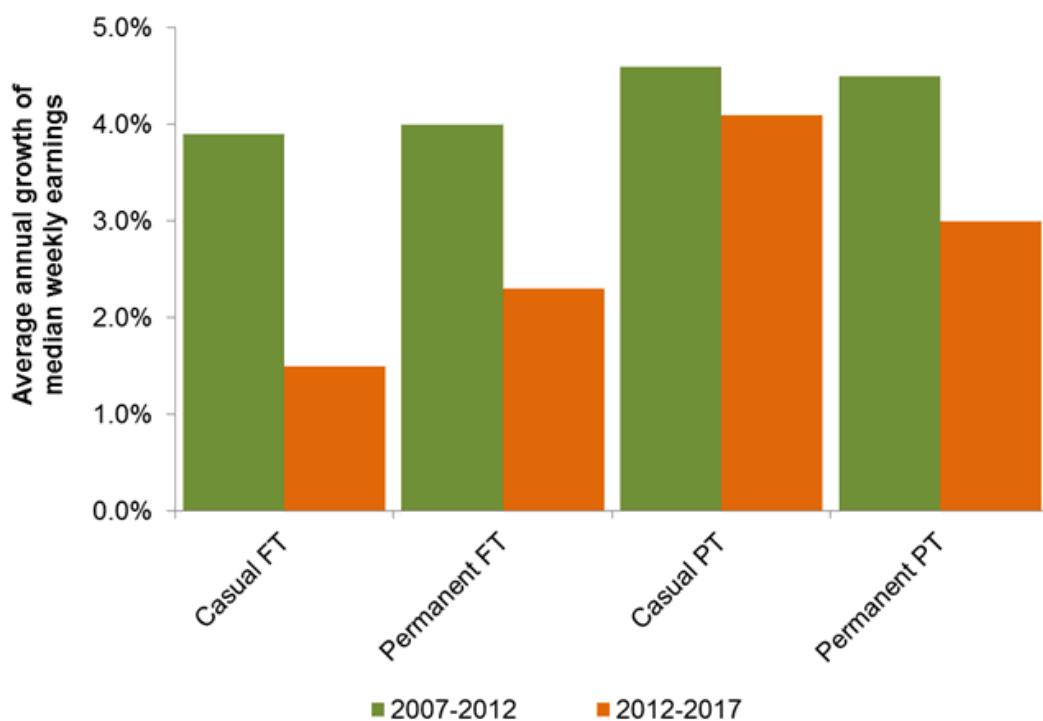
Figure 2.1 - Proportions of full-time and part-time casual employees³



³ Defined as the proportion of Full-time (or Part-time) casual employees as a proportion of total Full-time (or Part-time) employees.

Meanwhile the average annual growth of median weekly earnings for full-time casual employees fell during 2012-2017, when compared to 2007-2012, whilst that of part-time casual employees remained relatively stable across the periods (figure 2.2, appendix tab 2).

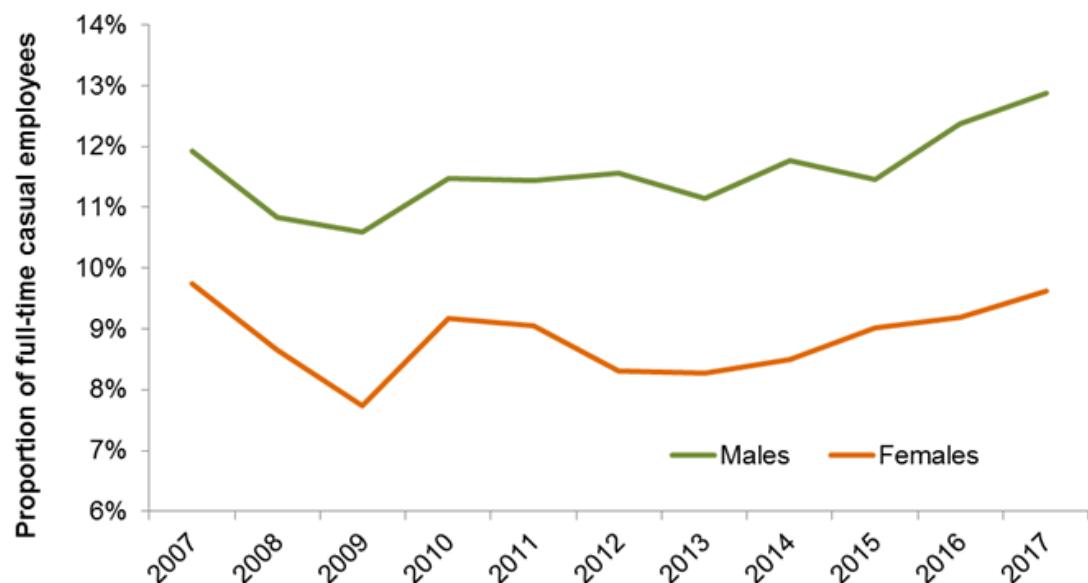
Figure 2.2 - Casual and permanent full-time and part-time employees: average annual growth of median weekly earnings



FULL-TIME AND PART-TIME EMPLOYEES IN MAIN JOB: MEDIAN WEEKLY EARNINGS – BY CASUAL AND PERMANENT EMPLOYEES AND SEX

From August 2013 to August 2017, the proportions of both male and female full-time casual employees increased (figure 3.0, appendix tab 3).

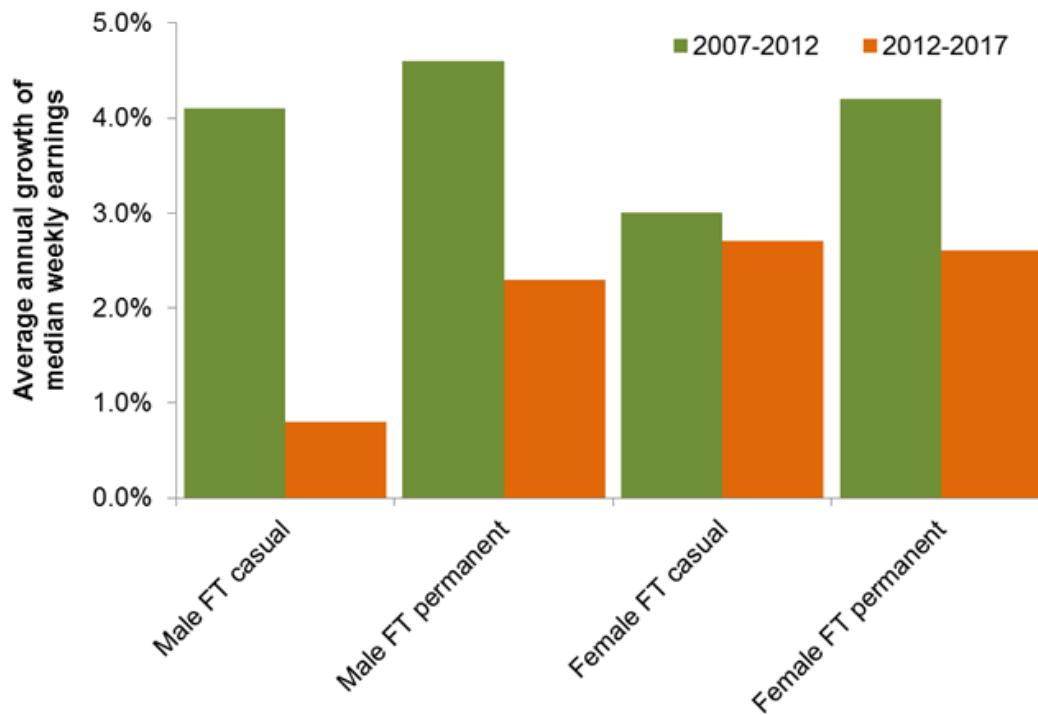
Figure 3.0 – Proportions of male and female full-time casual employees⁴



⁴ Defined as the proportion of Male (or Female) full-time casual employees as a proportion of total Male (or Female) full-time employees.

Whilst these overall proportions of both male and female full-time casual employees have increased in recent years, the average annual growth of median weekly earnings for casual full-time males reduced substantially in 2012-2017, when compared to 2007-2012, whilst that of females remained relatively stable across the periods (figure 3.1, appendix tab 3).

Figure 3.1 - Casual and permanent full-time employees by sex: average growth of median weekly earnings

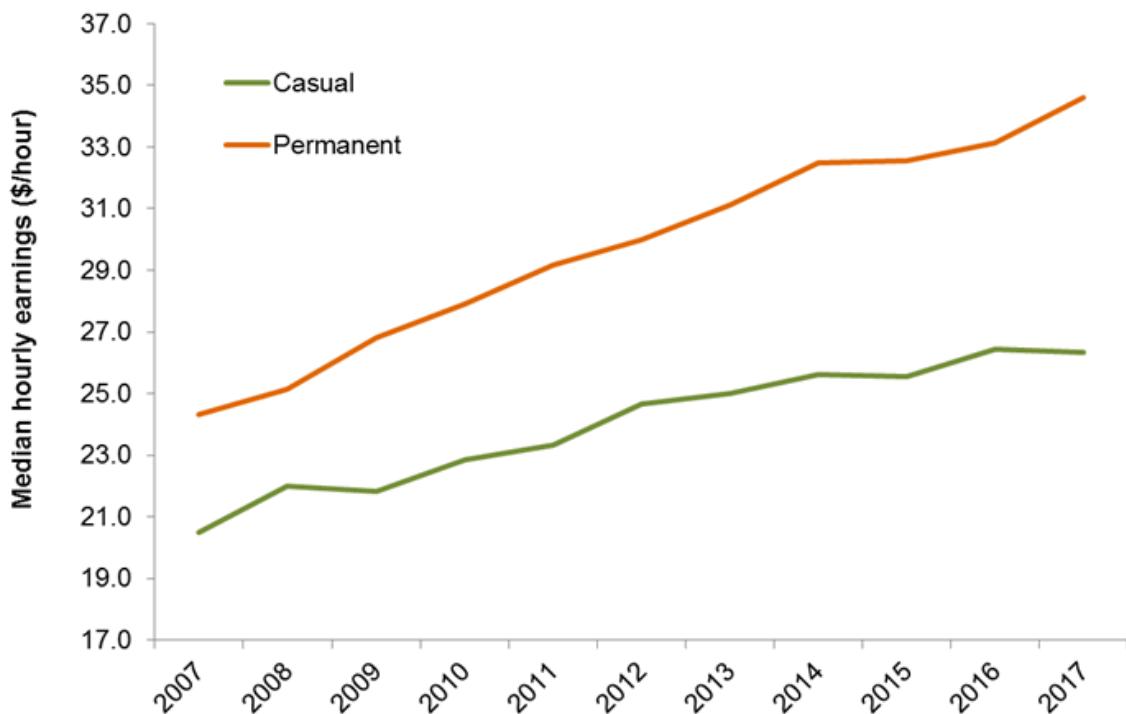


CASUAL AND PERMANENT FULL-TIME MALE EMPLOYEES IN MAIN JOB: MEDIAN HOURLY EARNINGS IN MAIN JOB AND SELECTED EMPLOYMENT CHARACTERISTICS

As illustrated in figure 3.1, the average annual growth of median weekly earnings for casual full-time male employees was 0.8% in 2012-2017, down from the 4.1% recorded in 2007-2012. In contrast to this, the average growth of median weekly earnings for permanent full-time male employees also reduced, yet not to the same extent, reducing to 2.3% in 2012-2017 from 4.6% in 2007-2012. This was much more pronounced than the difference for casual full time females which was 2.7% in 2012-2017, down from 3.0% in 2007-2012, and permanent full time females which was 2.6% in 2012-2017 down from 4.2% in 2007-2012. Although the remainder of this brief article exclusively explores these more pronounced differences for males, similar analysis of data for females can be undertaken from the data in this release.

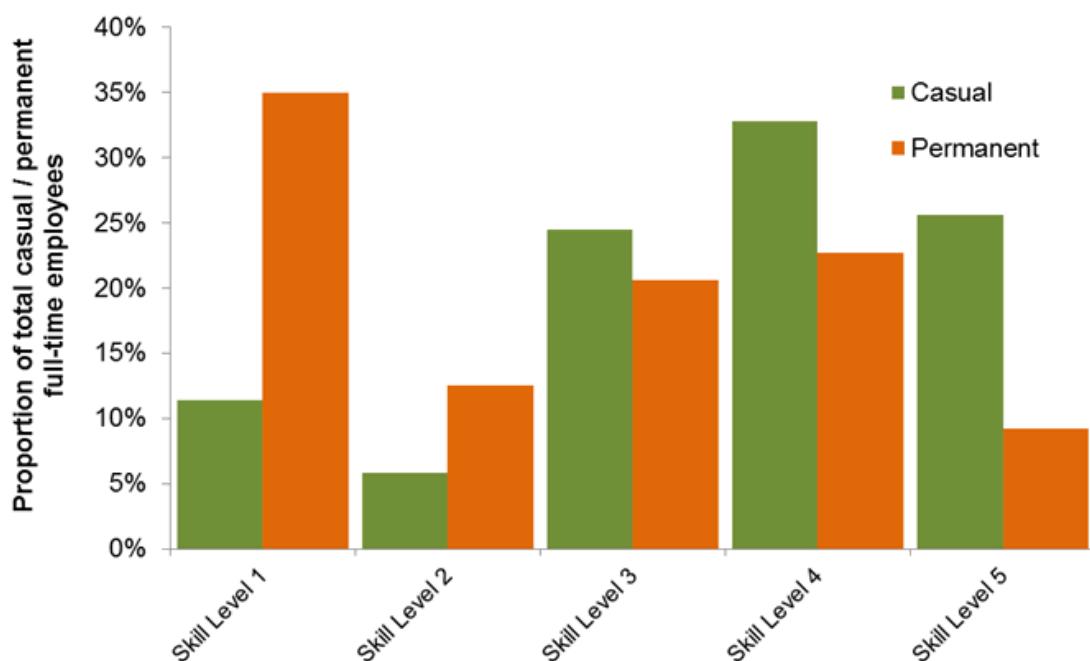
While weekly earnings can be affected by changes in the number of hours worked (and paid for), hourly earnings provide a more directly comparable measure. The estimated median hourly earnings of casual full-time male employees increased from \$24.70 in August 2012 to \$26.30 in August 2017 - with average annual growth of hourly earnings being 1.3% over the 2012-2017 period. In contrast, the median hourly earnings of permanent full-time male employees increased from \$30.00 in August 2012 to \$34.60 in August 2017 – with average annual growth of hourly earnings being 2.9% over the 2012-2017 period (figure 4.0, appendix tab 4).

Figure 4.0 - Casual and permanent full-time male employees by median hourly earnings



It is important to consider which males are working in full-time casual and full-time permanent employment. In August 2017, permanent full-time male employees (who receive a relatively higher hourly rate of pay) were more concentrated in higher skilled occupations – skill levels 1 and 2, whilst casual full-time male employees (who receive a relatively lower hourly rate of pay) were more concentrated in lower skilled occupations – skill levels 4 and 5 (figure 4.1, appendix tab 4).

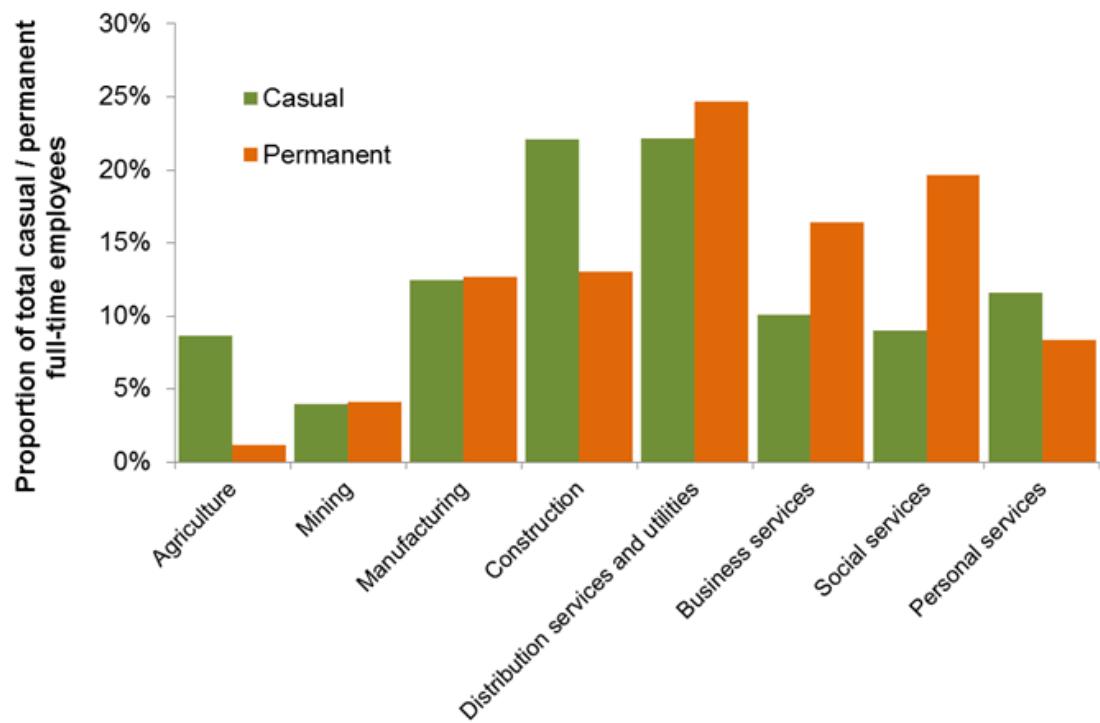
Figure 4.1 - Proportions of casual and permanent full-time male employees by ANZSCO skill level, August 2017⁵



⁵ Defined as the proportion of casual (or permanent) full-time employees as a proportion of total casual (or permanent) full-time employees.

The industries of employment also differed between casual and permanent full-time male employees at August 2017. Permanent full-time males had a relatively higher concentration in the Business and Social Services industries, whilst casual full-time males had a relatively higher concentration in the construction industry (figure 4.2, appendix tab 4).

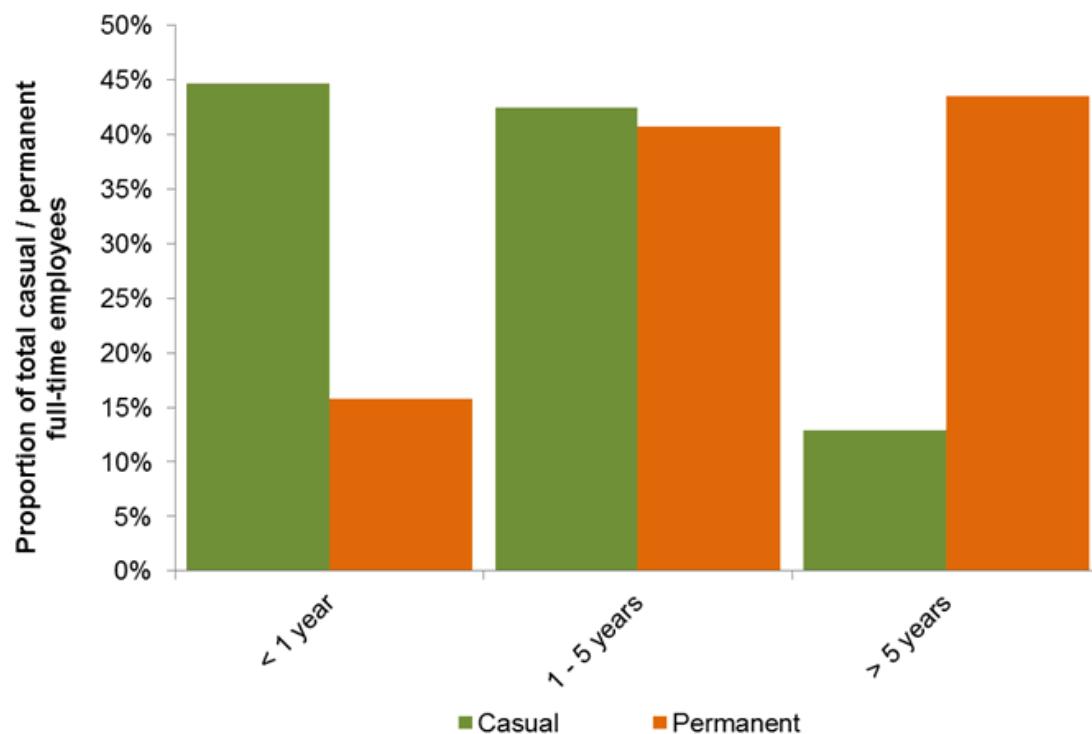
Figure 4.2 – Casual and Permanent full-time male employees by Industry⁶



⁶ See appendix tab 4 for consolidated industry groupings.

In August 2017, there was also a notable difference in the tenure of employment between casual and permanent full-time male employees. The majority of permanent full-time males (56.0%), had been with their current employer for 4 years or more, whilst 78.4% of casual full-time males had been with their current employer for less than 4 years (appendix tab 4). There was also a large proportion of casual full-time males (44.7%) who had been with their current employer for less than 12 months. A similarly large proportion of casual full-time males (42.4%) had been with their current employer for 1 – 5 years (figure 4.3, appendix tab 4).

Figure 4.3 - Casual and Permanent full-time male employees by continuous duration with current employer



For further information about income and earnings see the Fact Sheet: Income and Earnings, published in the Labour Statistics: Concepts, Sources and Methods (cat. no. 6102.0.55.001).

History of changes

02/03/2020

Two issues have been identified in the compilation of earnings estimates used for mean earnings in Tables 3-5, and relating to whether worked weekdays and/or weekends in all jobs in Table 7 (found under the Downloads tab). These estimates have been revised in the August 2019 release of Characteristics of Employment.

27/09/2019

An issue has been identified in the compilation of estimates relating to usual days worked in Table 7 (found under the Downloads tab). These estimates will be revised in the upcoming August 2019 release of Characteristics of Employment.

Explanatory Notes

Explanatory Notes

EXPLANATORY NOTES

INTRODUCTION

1 The statistics in this publication were compiled from information collected in the Characteristics of Employment (COE) survey conducted throughout Australia in August 2015 as a supplement to the Australian Bureau of Statistics' (ABS) monthly Labour Force Survey (LFS). Respondents to the LFS who fell within the scope of the supplementary survey were asked further questions.

2 Information about survey design, scope, coverage and population benchmarks relevant to the monthly LFS, which also applies to supplementary surveys, can be found in the publication Labour Force, Australia (cat. no. 6202.0).

CONCEPTS, SOURCES AND METHODS

3 The conceptual frameworks used in the monthly LFS align closely with the standards and guidelines set out in Resolutions of the International Conference of Labour Statisticians. Descriptions of the underlying concepts and structure of Australia's labour force statistics, and the sources and methods used in compiling these estimates, are presented in Labour Statistics: Concepts, Sources and Methods (cat. no. 6102.0.55.001).

4 The conceptual framework for measures of mean and median earnings aligns closely with the standards and guidelines set out in the System of National Accounts 2008, and Resolutions of the International Conference of Labour Statisticians.

SCOPE

5 The scope of the LFS is restricted to people aged 15 years and over and excludes the following people:

- members of the permanent defence forces;
- certain diplomatic personnel of overseas governments, customarily excluded from the Census and estimated populations;
- overseas residents in Australia; and
- members of non-Australian defence forces (and their dependants).

6 Students at boarding schools, patients in hospitals, residents of homes (e.g. retirement homes, homes for people with disabilities), and inmates of prisons are excluded from all supplementary surveys.

7 This supplementary survey was conducted in both urban and rural areas in all states and territories, but excluded persons living in Aboriginal and Torres Strait Islander communities.

8 In addition to those already excluded from the LFS, contributing family workers, persons not in the labour force and unemployed persons were also excluded.

COVERAGE

9 The estimates in this publication relate to persons included in the survey in August 2015. In the LFS, coverage rules are applied, which aim to ensure that each person is associated with only one dwelling, and hence has only one chance of selection in the survey. See Labour Force, Australia (cat. no. 6202.0) for more details.

SAMPLE SIZE

10 Supplementary surveys are not always conducted on the full LFS sample. Since August 1994 the sample for supplementary surveys has been restricted to no more than seven-eighths of the LFS sample.

11 This survey is fully based on the sample introduced after the 2011 Census of Population and Housing. For more information, see the Article in the May 2013 issue of Labour Force, Australia (cat. no. 6202.0).

RELIABILITY OF THE ESTIMATES

12 Estimates in this publication are subject to sampling and non-sampling errors:

- Sampling error is the difference between the published estimate and the value that would have been produced if all dwellings had been included in the survey. For more information, see the Technical Note.
- Non-sampling errors are inaccuracies that occur because of imperfections in reporting by respondents and interviewers, and errors made in coding and processing data. These inaccuracies may occur in any enumeration, whether it be a full count or a sample. Every effort is made to reduce the non-sampling error to a minimum by careful design of questionnaires, intensive training and effective processing procedures.

SEASONALITY

13 The estimates are based on information collected in the survey month (August) and, due to seasonality, may not be representative of other months of the year. For example, the numbers of employees working on weekdays and weekends will be representative for an August month but not necessarily representative of all months in the year.

14 To reduce the impact of seasonality on **total** employment, the estimates have been adjusted by factors based on **trend** LFS estimates. These factors were applied at the State and Territory, Sex, Full-time and Total employment levels, based on the trend LFS series as published in the November 2017 issue of Labour Force, Australia (cat. no. 6202.0). This adjustment accounts for August seasonality and irregular effects, resulting in an increase to the typically lower original employed estimates for August.

15 Historical estimates re-published this issue from surveys conducted in different survey months (May and November) will be subject to different seasonal impacts, which may result in an observable break in series between the historical data and data collected in COE. Trend factors have also been applied to these historical estimates to reduce the impact of seasonality on total employment estimates.

CLASSIFICATIONS USED

16 Country of birth data are classified according to the Standard Australian Classification of Countries (SACC), 2011 (cat. no. 1269.0).

17 Occupation data are classified according to ANZSCO - Australian and New Zealand Standard Classification of Occupations, 2013, Version 1.2 (cat. no. 1220.0).

18 Industry data are classified according to the Australian and New Zealand Standard Industrial Classification (ANZSIC), 2006 (Revision 2.0) (cat. no. 1292.0).

19 Education data are classified according to the Australian Standard Classification of Education (ASCED), 2001 (cat. no. 1272.0).

20 Geography data are classified according to the Australian Statistical Geography Standard (ASGS), 2011 (cat. no. 1270.0.55.001).

NOTES ON ESTIMATES

21 Where information relating to earnings in both main job and/or second job was not provided by the respondent, values have been imputed. In August 2017, there were 3,891 cases where information relating to earnings in main job was not provided by the respondent and 169 cases where information relating to earnings in second job was not provided by the respondent. Where this was the only information missing from the respondent record, the value was imputed based on answers provided from another respondent with similar characteristics (referred to as the "donor"). Donor records were selected for imputation of earnings in main job by matching information on sex, age, state or territory of usual residence and selected labour force characteristics (full-time or part-time in main job, industry, occupation, hours worked in main job, owner manager status) of the person with missing information.

22 Donor records were selected for imputation of earnings in second job by matching information on age, state or territory of usual residence, area of usual residence, owner manager status, hours worked in second job and frequency of pay in second job. Depending on which values were imputed, donors were chosen from the pool of individual records with complete information for the block of questions where the information was missing.

Earnings

23 Estimates relating to mean and median weekly earnings generally exclude owner managers of incorporated enterprises (OMIEs) unless otherwise stated. Employees who only received payment in kind were also excluded.

Hourly rate

24 Estimates relating to mean and median hourly rate generally exclude owner managers of incorporated enterprises (OMIEs) unless otherwise stated. Employees who only received payment in kind or worked zero hours while on workers compensation were also excluded.

Leave entitlements

25 Employees have been classified as 'With paid leave entitlements' if they were entitled to paid sick leave and/or paid holiday leave. In all other cases, employees have been classified as 'Without paid leave entitlements' and are also referred to as "casual employees".

COMPARABILITY OF TIME SERIES

26 The LFS estimates and estimates from the supplementary surveys, (e.g. COE) are calculated in such a way as to sum to the independent estimates of the civilian population aged 15 years and over (population benchmarks). These population benchmarks are updated quarterly based on Estimated Resident Population (ERP) data.

27 From August 2015, Labour Force Estimates have been compiled using population benchmarks based on the most recently available release of ERP data, continually revised on a quarterly basis. At the time of publication, this issue's estimates are comparable with the published labour force estimates for November 2017.

28 From this issue (August 2017) onwards, the estimates in this publication will move to regular rebenchmarking to reflect the latest revisions to ERP data and updated trend LFS estimates.

29 From this issue (August 2017), historical estimates re-published from previous supplementary surveys have been revised to reflect the latest benchmarks and trend LFS estimates for employment (as at November 2017). These include estimates from the previous surveys:

- Characteristics of Employment, Australia, August 2016 (cat. no. 6333.0) (COE)
- Employee Earnings, Benefits and Trade Union Membership, Australia, August 2004-13 (cat. no. 6310.0) (EEBTUM)
- Forms of Employment, Australia, November 2008-13 (cat. no. 6359.0) (FOE)
- Working Time Arrangements, Australia, November 2006, 2009 and 2012 (cat. no. 6342.0) (WTA)
- Education and Work, Australia, May 2004-05 and 2007-12 (cat. no. 6227.0). (SEW)

30 For the historical estimates re-published from surveys run in months other than August, two kinds of estimates have been produced.

- For estimates relating to the number of employees or number of employed persons, estimates have been revised based on the full set of respondents who completed the survey for that month.
- For estimates relating to weekly earnings and hourly rates, the data are based on the respondents who remained employed, remained in sample, and provided information in both the non-August survey and the nearest next or previous August survey. This allowed for the earnings information collected in August to be merged with the complementary data collected in the other months (for example, merging August EEBTUM earnings with the highest non-school qualification data collected in the May SEW). Relative Standard Errors (RSEs) for these estimates were higher than usual, with less than half of the full sample common between both surveys.

31 When comparing results from the 2017 COE to previous surveys, it is recommended to use the revised and re-published estimates within this issue. In previous publications, caution should be exercised when comparing results, as the definition of employees is not always directly comparable to the current definition. Changes to the employee definition involved excluding Owner Managers of Incorporated Enterprises (OMIEs) and including persons who worked for a commission only without a retainer. In this publication, time series of employee estimates are presented on a consistent basis.

32 From August 2014 collection of earnings in second job was changed to match the collection of earnings in main job. Previously, earnings in second job was collected from respondents who were employees in their second job who actually worked some hours in their second job in the reference week. Earnings were reported for those hours actually worked in that job. From 2014, earnings in second job were collected from employees in their second job regardless of whether they worked in that job in the reference week. Earnings data and frequency of pay in that second job were subsequently collected. This change will result in a break in series of earnings in all jobs and earnings in second job. Caution should be exercised when comparing second and all job earnings data from COE with previous EEBTUM data.

33 Prior to 2014, information about trade union membership was collected only of employees and owner managers or incorporated enterprises. From 2014 onwards, information on trade union membership is collected from all employed people.

34 For information on the history of changes to EEBTUM, see the Explanatory Notes (cat. no. 6310.0).

35 For information on the history of changes to FOE, see the Explanatory Notes (cat. no. 6359.0).

Salary sacrifice

36 The estimates of earnings in this publication are produced in accordance with the conceptual framework for measures of employee remuneration, as outlined in Information paper: Changes to ABS Measure of Employee Remuneration, Australia 2006 (cat. no. 6313.0).

37 From 2007, as a result of a change in the concept of earnings being measured, employees and OMIEs were asked to include salary sacrifice when estimating their earnings. In previous years, there was no explicit reference to the treatment of salary sacrifice. It is probable that some employees were already including amounts of salary sacrifice in their estimates of earnings, depending upon how their pay was reported. This change has resulted in a break in series. Users need to exercise care when comparing the earnings of employees and OMIEs in this release with those prior to 2007.

Imputation

38 From 2017, additional information relating to the hourly rate and the skill level of main job were added to the imputation process for main job earnings. The current method has been applied to all of the COE surveys run between 2014 and 2017.

39 From 2014, additional information relating to the number of hours usually worked and the frequency of pay in a respondent's second job were added to the imputation process for second job earnings.

40 From 2009, additional information relating to the number of hours that a respondent's last pay period covered in their main job was added to the imputation process for main job earnings.

41 Aside from the changes listed above, the current imputation method has been used since the 2005 survey. A similar method of imputation was used for the 2004 survey. The differences between the 2004 and the current imputation method are that donors are matched, where possible at a finer level of detail; and second job earnings are imputed whereas in 2004 they were not.

42 Prior to 2004, imputation was not used. Employees whose weekly earnings could not be determined were excluded from estimates of mean or median weekly earnings. Care should be taken when comparing earnings data from 2004 onwards with earnings data prior to 2004. To compare the change in methodology from 2003 to 2004 see paragraph 28 of the Explanatory Notes in the August 2004 Employee Earnings, Benefits and Trade Union Membership (cat. no. 6310.0).

COMPARABILITY WITH MONTHLY LFS STATISTICS

43 Due to differences in the scope and sample size of this supplementary survey and that of the monthly LFS, the estimation procedure may lead to some small variations between labour force estimates from this survey and those from the LFS.

COMPARABILITY WITH EMPLOYER-BASED SURVEYS

44 Caution should be exercised when comparing estimates of earnings in this release with estimates of earnings included in the biannual Average Weekly Earnings, Australia (cat. no. 6302.0) and two-yearly Employee Earnings and Hours, Australia (cat. no. 6306.0) publications. The data in both these publications are compiled from employer based surveys. There are important differences in the scope, coverage and methodology of these surveys which can result in different estimates of earnings from each survey.

45 The survey of Average Weekly Earnings (AWE) collects information from employers who provide details of their employees' total gross earnings and their total number of employees. The survey of Employee Earnings and Hours (EEH) collects information about weekly earnings and hours paid for, and the individual characteristics of a sample of employees within each selected employer unit. Both AWE and EEH are completed by employers with information from their payroll. However, for COE and EEBTUM, respondents are either the employed person or another adult member of their household who responds on their behalf. Where earnings are not known exactly an estimate is reported. There are also scoping differences between both household and employer surveys. For example, AWE and EEH exclude employees in the Agriculture, forestry and fishing industry, and also employees of Private households, whereas these employees are included in the COE and EEBTUM surveys.

46 The earnings series from AWE historically excluded amounts salary sacrificed. However, since the May 2011

AWE publication, the Average Weekly Cash Earnings (AWCE) series have also been released. These series are inclusive of salary sacrificed amounts. The key earnings series from AWE have continued to be published on the old conceptual basis (i.e. exclusive of amounts salary sacrificed) to maintain long term comparability of the key series. In EEH, the salary sacrificed amounts have been included in the estimates of mean and median weekly earnings from 2006 onwards. From 2007, COE and EEBTUM have included amounts salary sacrificed in the estimates of mean and median weekly earnings.

47 For further information on a number of earning series available from ABS sources, please refer to the feature article *Understanding earnings in Australia using ABS statistics* published in *Australian Labour Market Statistics*, July 2014 (cat. no. 6105.0).

PREVIOUS SURVEYS

48 Similar surveys on weekly earnings have been conducted annually in August since 1975, except in 1991 when the survey was conducted in July, and in 1996 when the survey was not conducted.

49 Prior to 1999, the EEBTUM publication was titled *Weekly Earnings of Employees (Distribution), Australia* (cat. no. 6310.0). The change in title reflects the inclusion of employment benefits and trade union membership data previously released in other publications.

50 Results of previous surveys on employment benefits have been published in *Weekly Earnings of Employees (Distribution), Australia*, August 1997 (cat. no. 6310.0).

51 Information on trade union membership was first collected in 1976, then biennially in its current format, from 1986 to 1992. From 1994, it was conducted annually (with only limited data available every second year). Results of previous surveys were published in *Labour Force, Australia*, December 1994, December 1995 (cat. no. 6203.0).

52 Limited data on trade union membership have also been published in:

- Employment Arrangements, Retirement and Superannuation, Australia, April to July 2007 (Re-issue) (cat. no. 6361.0);
- Weekly Earnings of Employees (Distribution), Australia, August 1997 (cat. no. 6310.0);
- Working Arrangements, Australia, November 2000 (cat. no. 6342.0); and
- Working Arrangements, Australia, November 2003 (cat. no. 6342.0).

53 Information on Forms of employment was originally collected every 3 years between 1998 and 2004, followed by surveys in 2006 and 2007. In 2008, the survey was redeveloped to better capture information of independent contractors, other business operators and employees, and has since been collected annually on this basis. Results of previous surveys were published in the final issue of *Forms of Employment, Australia*, November 2013 (cat. no. 6359.0).

54 Information on Working Arrangements has been collected in a variety of surveys since 1976, as follows:

- Work Patterns of Employees, November 1976 (cat. no. 6328.0 / Ref. No. 6.70)
- Evening and Night Work, November 1976 (cat. no. 6329.0)
- Working Hours Arrangements, Australia, February to May 1981 (cat. no. 6338.0)
- Alternative Working Arrangements, Australia, 1982 and 1986 (cat. no. 6341.0)
- Working Arrangements, Australia, August 1993 and 1997 (cat. no. 6342.0)
- Working Arrangements, Australia, November 2000 and 2003 (cat. no. 6342.0)
- Working Time Arrangements, Australia, November 2006, 2009 and 2012 (cat. no. 6342.0)

PRODUCTS AND SERVICES

55 A number of Datacubes (spreadsheets) containing all tables produced for this publication are available from the Downloads tab of the publication. The Datacubes present tables of estimates and their corresponding Relative Standard Errors (RSEs). Revised and re-published historical data are also available in these Datacubes for the years 2004-2016.

56 For users who wish to undertake a more detailed analysis of the data, the survey microdata will be released through the TableBuilder product. For more details, refer to the TableBuilder information, *Microdata: Characteristics of Employment, Australia* (cat. no. 6333.00.001). For more information see *About TableBuilder*.

57 Special tabulations are available on request. Subject to confidentiality and sampling variability constraints, tabulations can be produced from the survey incorporating data items, populations and geographic area selections to meet individual requirements. These can be provided in printed or electronic form. All enquiries should be made to the National Information and Referral Service on 1300 135 070.

NEXT SURVEY

58 This survey is conducted in August 2016. Information on trade union membership and persons who found their job through a labour hire firm/employment agency is contained in this survey.

ACKNOWLEDGEMENT

59 ABS surveys draw extensively on information provided freely by individuals, businesses, governments and other organisations. Their continued cooperation is very much appreciated: without it, the wide range of statistics published by the ABS would not be available. Information received by the ABS is treated in strict confidence as required by the **Census and Statistics Act, 1905**.

RELATED PUBLICATIONS

60 Refer to Related Information tab for other ABS publications which may be of interest.

61 Current publications and other products released by the ABS are available from the Statistics Page on the ABS website. The ABS also issues a daily Release Advice on the website which details products to be released in the week ahead.

ROUNDING

62 As estimates have been rounded, discrepancies may occur between sums of the component items and totals.

Glossary

GLOSSARY

Agreement to work flexible hours

An agreement that is either in writing or otherwise. A written agreement can be in the form of, but not limited to, an individual written agreement between an employer and employee, or a Collective Agreement or Certified Agreement (CA) made directly between an employer and a group of employees.

Born in Australia

Includes persons born in Australia, Norfolk Island and Australian External Territories.

Continuous duration with current employer/business

The length of the current period of employment people had with their employer or in their own business. The length of time includes periods of paid leave, unpaid leave or strike.

Did not draw a wage or salary

Consists of persons who worked in their own incorporated enterprise only i.e. Owner managers of incorporated enterprises (OMIEs).

Employed persons

People aged 15 years and over who, during the reference week:

- worked for one hour or more for pay, profit, commission or payment in kind, in a job or business or on a farm (comprising employees, employers and own account workers); or
- worked for one hour or more without pay in a family business or on a farm (i.e. contributing family workers);

or

- were employees who had a job but were not at work and were:
 - away from work for less than four weeks up to the end of the reference week;
 - away from work for more than four weeks up to the end of the reference week and received pay for some or all of the four week period to the end of the reference week;
 - away from work as a standard work or shift arrangement;
 - on strike or locked out;
 - on workers' compensation and expected to return to their job; or
- were employers or own account workers who had a job, business or farm, but were not at work.

Contributing family workers in their main job were excluded from the Characteristics of Employment Survey.

Employees

From August 2014, the Characteristics of Employment (COE) Survey definition of employees differs from the definition used in surveys prior to July 2014 including, the Labour Force Survey, other household surveys (including earlier Forms of Employment, Employee Earnings, Benefits and Trade Union Membership and Working Time Arrangements surveys). See Appendix: Status of employment and population concordance for more information.

Employees are persons who:

- worked for a public or private employer; and
- received remuneration in wages or salary; or are paid a retainer fee by their employer and worked on a commission basis, for tips, piece-rates or payment in kind.

Fixed-term contract

A contract of employment which specifies that the employment will be terminated on a particular date/event.

Full-time workers in main job

People who were employees in their main job and were:

- Single job holders who usually work 35 hours or more a week, or usually work fewer than 35 hours but worked 35 hours or more during the reference week; or
- Multiple job holders who usually work 35 hours or more in their main job and those who, although usually working fewer than 35 hours in their main job, worked 35 hours or more during the reference week.

Full-time workers

Employed persons who usually worked 35 hours or more a week (in all jobs) and others who, although usually worked less than 35 hours a week, worked 35 hours or more during the reference week. These people were classified as full-time workers.

Holiday leave

The entitlement of an employee to paid holiday, paid vacation or paid recreation leave in their main job.

Hours paid for in main job

The number of hours for which employees and OMIEs were paid in their main job in their last pay, not necessarily the number of hours actually worked during the reference week (e.g. a person on paid leave for the week was asked to report the number of hours for which they were paid).

Hours usually worked

The number of hours usually worked in a week.

Hours worked

The number of hours actually worked during the reference week.

Independent contractors

Independent contractors are persons who operate their own business and who are contracted to perform services for others without having the legal status of an employee, i.e. persons who are engaged by a client, rather than an employer to undertake the work. Independent contractors are engaged under a contract for services (a commercial contract), whereas employees are engaged under a contract of service (an employment contract).

Independent contractors' employment may take a variety of forms, for example, they may have a direct relationship with a client or work through an intermediary. Independent contractors may have employees, however they spend most of their time directly engaged with clients or on client tasks, rather than managing their staff.

Industry

An industry is a group of businesses or organisations that undertake similar economic activities to produce goods and/or services. In this publication, industry refers to ANZSIC Division as classified according to the Australian and New Zealand Standard Industrial Classification (ANZSIC), 2006 (Revision 2.0) (cat. no. 1292.0).

Level of highest educational attainment

Level of highest educational attainment identifies the highest achievement a person has attained in any area of study. It is not a measurement of the relative importance of different fields of study but a ranking of qualifications and other educational attainments regardless of the particular area of study or the type of institution in which the study was undertaken. It is categorised according to the Australian Standard Classification of Education, 2001 (cat. no. 1272.0) Level of education classification.

Level of highest non-school qualification

A person's level of highest non-school qualification is the highest qualification a person has attained in any area of formal study other than school study. It is categorised according to the Australian Standard Classification of Education, 2001 (cat. no. 1272.0) Level of education classification.

Main job

The job in which the most hours were usually worked.

Maternity/paternity leave

The provision by an employer of paid maternity/paternity leave.

Mean weekly earnings

The amount obtained by dividing the total earnings of a group by the number of employees and OMIEs in that group.

Median weekly earnings

The amount which divides the distribution of employees and OMIEs into two groups of equal size, one having earnings above and the other below that amount.

Multiple jobholder

Employed persons who, during the reference week, worked in more than one job. Multiple jobholders exclude those who changed employer during the reference week. People who were unpaid voluntary workers or on unpaid trainee/work placement in their second job were excluded from the Multiple jobholder population.

Information on earnings in main job is collected from all multiple jobholders. Information on earnings in second job is only collected from multiple jobholders who were employees or OMIEs in their second job and were an employee or OMIEs in their main job.

Occupation

An occupation is a collection of jobs that are sufficiently similar in their title and tasks, skill level and skill specialisation which are grouped together for the purposes of classification. In this publication, occupation refers to Major Group and Sub-Major Group as defined by ANZSCO - Australian and New Zealand Standard Classification of Occupations, 2013, Version 1.2 (cat. no. 1220.0).

On call

A shift arrangement, for being available, when not at work, to be contacted to resume work. An allowance may be paid to the employee for being on call.

Overtime

Work undertaken which is outside, or in addition to, ordinary working hours in main job, whether paid or unpaid.

Owner managers of incorporated enterprises (OMIEs)

People who work in their own incorporated enterprise, that is, a business entity which is registered as a separate legal entity to its members or owners (may also be known as a limited liability company).

An owner manager of an incorporated enterprise may or may not hire one or more employees in addition to themselves and/or other owners of that business. See Status of Employment for more information.

Owner managers of unincorporated enterprises (OMUEs)

A person who operates his or her own unincorporated enterprise or engages independently in a profession or trade.

An owner manager of an unincorporated enterprise may or may not hire one or more employees in addition to themselves and/or other owners of that business. See Status of Employment for more information.

Paid leave entitlements

The entitlement of employees to either paid holiday leave, paid sick leave in their main job.

Part-time workers in main job

People who were employees in their main job and were:

- Single job holders who usually work fewer than 35 hours a week, and did so in the reference week; or
- Multiple job holders who actually worked fewer than 35 hours in their main job in the reference week, or were away from their main job but usually work fewer than 35 hours a week in their main job.

Part-time workers

Employed persons who usually worked fewer than 35 hours a week (in all jobs) and either did so during the reference week, or were not at work in the reference week. In this publication, part-time workers relates to part-time workers who were employees in their main job.

Reference week

The week preceding the week in which the interview was conducted.

Second job

A job, other than the main job.

Sector of main job

Sector of main job is used to classify a respondent's employer as a public or private enterprise. The public sector includes all government units, such as government departments, non-market non-profit institutions that are controlled and mainly financed by government, and corporations and quasi-corporations that are controlled by government.

Shift work

A system of working whereby the daily hours of operation at the place of employment are split into at least two set work periods (shifts) for different groups of workers. Types of shifts include:

- **Irregular shifts** - Describes shifts that do not follow a set pattern.
- **Regular shifts** - Shifts worked to a set pattern of times. Regular shift times are presented as follows:
 - morning shifts - between 6.00am and 12.00pm;

- afternoon shifts - between 12.00pm and 5.00pm; and
- evening, night or graveyard shift - between 5.00pm and 6.00am.
- **Rotating shift** - A shift arrangement, in which the shift worked changes periodically from one time period to another, for example from mornings or afternoons to evenings or nights.
- **Split shift** - Occurs when the worked period is broken by an extended unpaid 'free' period, thereby constituting an extended working day consisting of two (or more) shifts.

Sick leave

The entitlement of an employee to paid sick leave in their main job.

Standby

People who are usually waiting to restart work or people who have had to restart work after being recalled, without additional pay and allowances.

Status of Employment

Status of employment is determined by an employed person's position in relation to their job, and is usually in respect of a person's main job if they hold more than one job. Employed persons are classified according to the reported relationship between the person and the enterprise for which they work, together with the legal status of the enterprise where this can be established. The groups include:

- Employees
- OMIEs
 - OMIEs with employees
 - OMIEs without employees
- OMUEs
 - OMUEs with employees
 - OMUEs without employees and
- Contributing family workers.

Weekly earnings

Amount of 'last total pay' (i.e. before taxation, salary sacrifice and other deductions had been made) from wage and salary jobs prior to the interview. For persons paid other than weekly, earnings were converted to a weekly equivalent. No adjustment was made for any back payment of wage increases, prepayment of leave or bonuses, etc.

With paid leave entitlements

Employees who were entitled to either paid holiday leave or paid sick leave (or both) in their main job.

Without paid leave entitlements

Employees who were not entitled to paid holiday leave and paid sick leave, or did not know whether they were entitled to paid holiday leave or paid sick leave in their main job.

Worked on a fixed-term contract

Employees with a contract of employment which specifies that the employment will be terminated on a particular date/event.

Populations and Data items list (Appendix)

APPENDIX POPULATIONS

DATA AVAILABLE ON REQUEST

The ABS has a range of data available on request from the Characteristics of Employment Survey. This section lists the populations which are used in this release. Full details of the data items are available on the ABS website in an Excel spreadsheet, under the Downloads tab: Data Cube: Populations and Data items list.

The population(s) for a particular data item refers to the persons in the survey to whom the data item relates.

For more information about ABS data available on request, contact Client Services Section in Canberra on 1300 135 070 or via email <client.services@abs.gov.au>.

The ABS Privacy Policy outlines how the ABS will handle any personal information that you provide to us.

Population 1

Employed persons

Population 2

Employees in main job

Population 3

Employees and Owner managers of incorporated enterprises (OMIEs) in main job

Population 4

Owner managers of incorporated enterprises (OMIEs) in main job

Population 5

Owner managers of unincorporated enterprises (OMUEs) in main job

Population 6

Employed persons who preferred to work more hours than usually worked

Population 7

Independent contractors

Population 8

Multiple job holders

Population 9

Employees in second job

Population 10

Employees and Owner managers of incorporated enterprises (OMIEs) in second job

Data items	Population
1 State or territory of usual residence	All
2 Region of usual residence (SA4)	All
3 Sex	All
4 Social marital status	All
5 Relationship in household	All
6 Country of birth	All
7 Country of birth and elapsed years since arrival in Australia	All
8 Age group (years)	All
9 Number of dependents aged 15 to 24 years	All
10 Number of dependents aged 0 to 15 years	All
11 Number of dependents aged 0 to 24 years	All
12 Whether currently studying full-time or part-time	All
13 Level of highest educational attainment	All
14 Level of highest non-school qualification	All
15 Highest year of school completed	All
16 Labour force status	All
17 Status of employment in main job	All
18 Whether held more than one job	All
19 Number of jobs or businesses held last week (held concurrently)	All

20	Main reason for absence from work	All
21	Hours actually worked in main job	All
22	Hours actually worked in all jobs	All
23	Hours usually worked in main job	All
24	Hours usually worked in all jobs	All
25	Full-time or part-time status in all jobs	All
26	Full-time or part-time status in main job	All
27	Underemployment status	All
28	Reason worked less hours than usually worked	All
29	Preferred total number of weekly hours	6
30	Preferred number of extra weekly hours	6
31	Whether available to start work within the reference week with more hours	1-5, 7-10
32	Whether prefer and available within the next 4 weeks for more full-time or part-time hours	1-5, 7-10
33	Continuous duration with current employer/business	All
34	Expected future duration with current employer/business	All
35	Reason expected future duration with current employer/business less than 12 months	All
36	Sector of main job	All
37	Occupation of main job	All
38	Industry of main job	All
39	Whether entitled to paid holiday leave	2
40	Whether entitled to paid sick leave	2
41	Whether entitled to paid maternity/paternity leave	2
42	Whether had paid leave entitlements	2
43	Whether retrenched from any job in the previous 3 months	All
44	Weekly earnings in main job	2-4, 9-10
45	Weekly earnings in second job	9-10
46	Weekly earnings in all jobs	2-4, 9-10
47	Hours paid for in main job	2-4, 9-10
48	Hours paid for in second job	9-10
49	Hourly earnings in main job	2-4, 9-10
50	Hourly earnings in second job	9-10
51	Hourly earnings in all jobs	2-4, 9-10
52	Frequency of pay in main job	2-4, 9-10
53	Whether employment had a set completion date/event in main job	2
54	Time until set employment completion date/event in main job	2
55	Length of fixed term contract in main job	2
56	Whether considered to be an independent contractor	All
57	Status of employment of second job	8-10
58	Whether usually worked any paid or unpaid extra hours or overtime	All
59	Whether usually required to be on call or standby	All
60	Whether usually worked shift work and type of shift usually worked	All
61	Whether had an agreement with employer to work flexible hours	All
62	Whether preferred to work fewer hours each week and total number of preferred weekly hours in all jobs	All
63	Whether preferred to work fewer hours each week and preferred number of fewer weekly hours in all jobs	All
64	Whether usually worked from home in job/business and main reason worked from home in job or business	All
65	Days of the week usually worked in all jobs	All
66	Number of days of the week usually worked in all jobs	All
67	Whether worked weekdays and/or weekends in all jobs	All
68	Skill level of main job	All
69	Forms of employment	All

Population concordance (Appendix)

APPENDIX POPULATION CONCORDANCE

POPULATION CONCORDANCE WITH PREVIOUS SURVEYS

Caution should be exercised when comparing the estimates from this release with estimates prior to COE 2014 as some population groups are conceptually different.

The following table provides a concordance of populations groups used in this release with population groups from previous surveys:

Population Concordance				
Populations	COE 2017	COE 2016	COE 2015	COE 2014
Employed Persons	Population 1	Population 1	Population 1	Population 1
Employees in main job	Population 2	Population 2	Population 2	Population 2
Employees and Owner Managers of Incorporated Enterprises (OMIEs) in main job	Population 3	Population 3	Population 3	Population 3
Owner Managers of Incorporated Enterprises (OMIEs) in main job	Population 4	Population 4	Population 4	Population 4
Owner Managers of Unincorporated Enterprises (OMUEs) in main job	Population 5	Population 5	Population 5	Population 5
Employed persons who preferred to work more hours than usually worked	Population 6	Population 6	Population 6	Population 6
Independent contractors	Population 7	Population 7	Population 7	Population 9

Multiple job holders	Population 8	Population 8	Population 8	Population 11
Employees in second job	Population 9	Population 9	Population 9	Population 12
Employees and Owner Managers of Incorporated Enterprises (OMIEs) in second job	Population 10	Population 10	Population 10	Population 13
Trade union members in their main job	...	Population 11	...	Population 7 (a)
Trade union members	...	Population 12	...	Population 8 (a)
Persons who found their job through a labour hire firm/employment agency	...	Population 13	...	Population 10

... not applicable

(a) From 2014 this population group includes OMUEs

Form of Employment (Appendix)

FORM OF EMPLOYMENT

The following provides an outline of how people are classified in the 'Form of employment in main job' data item.

Persons are classified as employees (excluding owner managers of incorporated enterprises (OMIEs)), owner managers of incorporated enterprises and owner managers of unincorporated enterprises (OMUEs) based on their responses to questions in the monthly Labour Force survey (LFS).

Employees (excluding OMIEs) from the LFS are persons who:

- work for a public or private employer; and
- receive remuneration in wages or salary; or are paid a retainer fee by their employer and worked on a commission basis, for tips, piece-rates or payment in kind.

Owner managers of incorporated enterprises from the LFS are persons who:

- work in their own incorporated enterprise, that is, a business entity which is registered as a separate legal entity to its members or owners (also known as a limited liability company).

Owner managers of unincorporated enterprises from the LFS are persons who:

- operate their own unincorporated enterprise, that is, a business entity in which the owner and the business are legally inseparable, so that the owner is liable for any business debts that are incurred. This category includes those engaged independently in a trade or profession.

These people from the LFS are then asked questions in the FOES to identify key characteristics of employees, independent contractors and other business operators. The responses to these questions are then used to determine how people are classified as employees, independent contractors and other business operators in the 'Form of employment' data item.

These questions are:

"Do you work as an independent contractor in your job?"

"Do you receive a pay slip/advice?"

"Do you/Does your business invoice or bill clients/employers?"

"Excluding wages and salary, are you able to make drawings from your employer/business?"

The following decision table, shows how people are classified in the 'Form of employment' data item.

Decision table: Form of employment					
	Whether considered to be independent contractor?	Whether received pay slip/advice?	Whether invoices/bills clients/employers?	Whether able to make drawings from employer/business	Result
Employees (excluding OMIEs)	Yes	Yes	Yes		Independent Contractor
			No	Yes	Independent Contractor
		No	Yes		Employee
			No		Independent Contractor
	No	Yes			Employee
		No	Yes		Independent Contractor
			No		Employee
			Yes		Independent Contractor
Owner managers (OMIEs and OMUEs)	Yes	Yes	No	Yes	Independent Contractor
			No	Yes	Employee
		No	Yes		Independent Contractor
			No		Independent Contractor
	No	Yes	Yes		Other Business Operator
			No	Yes	Other Business Operator
		No	Yes		Employee
			No		Other Business Operator

Sufficient information was obtained from respondents after answering the second or third questions to determine their 'Form of employment', therefore people were not asked these questions to reduce respondent burden.

ABS data sources for earnings, employment income and total personal income (Appendix)

ABS data sources for earnings, employment income and total personal income

	Designed to measure	Frequency/Type of data source	Benefits	Primary publication
Average Weekly Earnings	The level of average weekly earnings of employees.	Biannual business survey.	Time series data available (including seasonally adjusted and trend estimates).	Average Weekly Earnings, Australia (cat. no. 6302.0).
Census	Total personal income collected in ranges. Household and family income imputed from personal income.	Population census conducted every 5 years.	Data available for small geographic areas.	Data available from ABS website (TableBuilder).
Characteristics of Employment	Earnings and the distribution of weekly earnings.	Annual household survey.	Detailed socio-demographic information and labour force statistics. Distributional data available.	Characteristics of Employment, Australia (cat. no. 6333.0)
Economic Activity Survey	Income, expenses, industry value added, operating profit before tax, capital expenditure, employment and wages and salaries.	Annual business survey combined with ATO administrative data (business activity statement).	Time series data available, cross classified by industry divisions and subdivisions.	Australian Industry (cat. no. 8155.0)
Employee Earnings and Jobs	Experimental employee earnings estimates using administrative data.	First publication using data from an experimental linked employer-employee database (LEED).	Demonstrates the feasibility linking employer and employee information to inform labour supply and labour demand and to provide a high quality job count.	Information Paper: Construction of Experimental Statistics on Employee Earnings and Jobs from Administrative Data, Australia (cat. no. 6311.0)
Estimates of Personal Income for Small Areas	Regional estimates of employment and total income for persons who	Annual analysis of ATO administrative data (personal income tax).	Data for small areas, down to Local Government Area level.	Estimates of Personal Income for Small Areas, 2011-15

	lodge a tax forms, using data sourced from the Australian Tax Office (ATO)			(cat. no. 6524.0.55.002)
National Accounts	Compensation of employees, a very broad concept of employee remuneration.	Quarterly compilation based primarily on quarterly business surveys.	Broad measure of remuneration (includes, for example, annual bonuses and payment in kind).	Australian National Accounts: National Income, Expenditure and Product (cat. no. 5206.0).
Quarterly Business Indicators Survey	Revenue, profits, inventory and wages paid by private sector businesses.	Quarterly business survey.	Time series data available.	Business Indicators, Australia (cat. no. 5676.0).
Survey of Employee Earnings and Hours	Composition and distribution of earnings (weekly and hourly) of employees, hours paid for, and whether their pay is set by award, collective agreement or individual arrangement.	Biennial business survey with payroll employee component.	Data cross-classified by employer and some employee characteristics. Distributional data available.	Employee Earnings and Hours, Australia (cat. no. 6306.0).
Survey of Employment and Earnings	Public sector employee earnings paid by level of Government	Annual business survey.	Public sector estimates, by level of government.	Employment and Earnings, Public Sector, Australia (cat. no. 6248.0.55.002).
Survey of Income and Housing	A breakdown of household income, including wages and salaries.	Two-yearly household survey.	Distributional data on the broader context of household income and components available (including labour income) cross-classified by several employee characteristics.	Household Income and Income Distribution, Australia (cat. no. 6523.0).
Survey of Major Labour Costs	Total earnings as well as other labour costs borne by businesses, for example payroll tax.	Irregular (currently run every 6 years) business survey.	Earnings data in the broader context of labour costs. Data per employee also available.	Labour Costs, Australia (cat.no. 6348.0).
Wage Price Index	Changes in the price of wages and salaries resulting from market pressures.	Quarterly business survey.	Estimate of pure wage inflation removing the effect of composition.	Wage Price Index, Australia (cat. no. 6345.0).

Data Cubes (I-Note) - Data Cubes

Data cube Table 3: An issue has been identified in the compilation of earnings estimates used for mean earnings. These estimates have been revised in the August 2019 release of Characteristics of Employment.

Data Cubes (I-Note) - Data Cubes

Data cube Table 4: An issue has been identified in the compilation of earnings estimates used for mean earnings. These estimates have been revised in the August 2019 release of Characteristics of Employment.

Data Cubes (I-Note) - Data Cubes

Data cube Table 5: An issue has been identified in the compilation of earnings estimates used for mean earnings. These estimates have been revised in the August 2019 release of Characteristics of Employment.

Data Cubes (I-Note) - Data Cubes

Data cube Table 7: An issue has been identified in the compilation of estimates relating to usual days worked, and estimates relating to whether worked weekdays and/or weekends in all jobs. These estimates have been revised in the August 2019 release of Characteristics of Employment.

Data Quality (Technical Note) (Technical Note)

TECHNICAL NOTE DATA QUALITY

INTRODUCTION

1 Since the estimates in this publication are based on information obtained from occupants of a sample of dwellings, they are subject to sampling variability. That is, they may differ from those estimates that would have been produced if all dwellings had been included in the survey. One measure of the likely difference is given by the standard error (SE), which indicates the extent to which an estimate might have varied by chance because only a sample of dwellings was included. There are about two chances in three (67%) that a sample estimate will differ by less than one SE from the number that would have been obtained if all dwellings had been included, and about 19 chances in 20 (95%) that the difference will be less than two SEs.

2 Another measure of the likely difference is the relative standard error (RSE), which is obtained by expressing the SE as a percentage of the estimate.

$$\text{RSE\%} = (\text{SE}/\text{estimate}) \times 100$$

3 RSEs for Characteristics of Employment estimates have been calculated using the Jackknife method of variance estimation. This process involves the calculation of 30 'replicate' estimates based on 30 different sub-samples of the original sample. The variability of estimates obtained from these sub-samples is used to estimate the sample variability surrounding the main estimate.

4 The Excel spreadsheets in the Downloads tab contain all the tables produced for this release and the calculated RSEs for each of the estimates. The RSEs for estimates other than medians have been calculated using the Jackknife method, and RSEs for the medians have been calculated using the Woodruff method.

5 In the tables in this publication, only estimates (numbers, percentages, means and medians) with RSEs less than 25% are considered sufficiently reliable for most purposes. However, estimates with larger RSEs have been included. Estimates with an RSE in the range 25% to 50% should be used with caution while estimates with RSEs greater than 50% are considered too unreliable for general use. All cells in the Excel spreadsheets with RSEs greater than 25% contain a comment indicating the size of the RSE. These cells can be identified by a red indicator in the corner of the cell. The comment appears when the mouse pointer hovers over the cell.

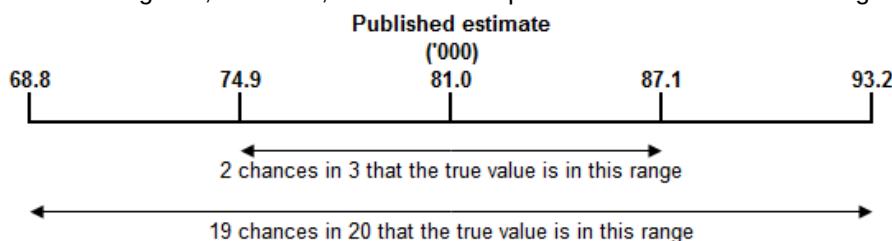
CALCULATION OF STANDARD ERROR

6 RSEs are routinely presented as the measure of sampling error in this publication and related products. SEs can be calculated using the estimates (counts or means) and the corresponding RSEs.

7 An example of the calculation of the SE from an RSE follows. An estimate of males aged 55–59 years who were employed part-time was 81,000, which has an RSE of 7.5%. The SE is:

$$\begin{aligned} \text{SE of estimate} \\ &= (\text{RSE} / 100) \times \text{estimate} \\ &= 0.075 \times 81,000 \\ &= 6,100 \text{ (rounded to the nearest 100)} \end{aligned}$$

8 Therefore, there are about two chances in three that the value that would have been produced if all dwellings had been included in the survey would fall within the range 74,900 to 87,100 and about 19 chances in 20 that the value would fall within the range 68,800 to 93,200. This example is illustrated in the following diagram.



PROPORTIONS AND PERCENTAGES

9 Proportions and percentages formed from the ratio of two estimates are also subject to sampling errors. The size of the error depends on the accuracy of both the numerator and the denominator. A formula to approximate the RSEs of proportions not provided in the spreadsheets is given below. This formula is only valid when x is a subset of y.

10 Considering an estimate of 1,532,300 males aged 25-34 years who were employed, 1,334,500 or 87.1% were full-time workers. The RSE for 1,334,500 is 1.2% and the RSE for 1,532,300 is 1.0%. Applying the above formula, the RSE for the proportion who were full-time workers:

$$RSE = \sqrt{(1.2)^2 - (1.0)^2} = 0.7\%$$

11 Therefore, the SE for the proportion who were full-time workers was 0.6 percentage points ($= (87.1/100) \times 0.7$). Therefore, there are about two chances in three that the proportion of full-time workers is between 86.5% and 87.7%, and 19 chances in 20 that the proportion was within the range 85.9% to 88.3%.

SUMS OR DIFFERENCES BETWEEN ESTIMATES

12 Published estimates may also be used to calculate the sum of two or more estimates, or the difference between two survey estimates (of numbers, means or percentages) where these are not provided in the spreadsheets. Such estimates are also subject to sampling error.

13 The sampling error of the difference between two estimates depends on their SEs and the relationship (correlation) between them. An approximate SE of the difference between two estimates ($x-y$) may be calculated by the following formula:

$$RSE\left(\frac{x}{y}\right) = \sqrt{[RSE(x)]^2 - [RSE(y)]^2}$$

14 The sampling error of the sum of two estimates is calculated in a similar way. An approximate SE of the sum of two estimates ($x+y$) may be calculated by the following formula:

$$SE(x+y) = \sqrt{[RSE(x)]^2 + [RSE(y)]^2}$$

15 For example, an estimate of males aged 55-59 years who were employed part-time was 81,000, and the SE for this estimate was 6,100. For males aged 60-64 years who were employed part-time was 96,700 and the SE was 5,500. The estimate of the combined age group i.e. males aged 55-64 years who were employed part-time is:

$$81,000 + 96,700 = 177,700$$

16 The SE of the estimate of males aged 55-64 years who were employed part-time is:

$$SE = \sqrt{(6,100)^2 + (5,500)^2} = 8,200$$

17 Therefore, there are about two chances in three that the value that would have been produced if all dwellings had been included in the survey would fall within the range 169,500 to 185,900 and about 19 chances in 20 that the value would fall within the range 161,300 to 194,100.

18 While these formulae will only be exact for sums of, or differences between, separate and uncorrelated characteristics or subpopulations, it is expected to provide a good approximation for all sums or differences likely to be of interest in this publication.

STANDARD ERRORS OF MEANS AND SUMS

19 The estimates of means and sums of continuous variables are subject to sampling variability and random adjustment. As for population estimates, the variability due to sampling and random adjustment is combined into the calculated Standard Error, and the Relative Standard Error is reported. The component of variability arising from sampling is calculated using the Jackknife method.

STANDARD ERRORS OF QUANTILES

20 The estimates of quantiles such as medians, quartiles, quintiles and deciles are subject to sampling variability and random adjustment. As for population estimates, the variability due to sampling and random adjustment is combined into the calculated Standard Error, and the Relative Standard Error is reported. The component of variability arising from sampling is calculated using the Woodruff method. This is also true for Equal Distribution Quantiles.

SIGNIFICANCE TESTING

21 A statistical test for any comparisons between estimates can be performed to determine whether it is likely that there is a significant difference between two corresponding population characteristics. The standard error of the difference between two corresponding estimates (x and y) can be calculated using the formula in paragraph 9. This standard error is then used to calculate the following test statistic:

$$\left(\frac{x - y}{SE(x - y)} \right)$$

22 If the value of this test statistic is greater than 1.96 then there is evidence, with a 95% level of confidence, of a statistically significant difference in the two populations with respect to that characteristic. Otherwise, it cannot be stated with confidence that there is a difference between the populations with respect to that characteristic.

23 The imprecision due to sampling variability, which is measured by the SE, should not be confused with inaccuracies that may occur because of imperfections in reporting by respondents and recording by interviewers, and errors made in coding and processing data. Inaccuracies of this kind are referred to as non-sampling error, and they occur in any enumeration, whether it be a full count or sample. Every effort is made to reduce non-sampling error to a minimum by careful design of questionnaires, intensive training and supervision of interviewers, and efficient operating procedures.

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Quality Declaration - Summary

QUALITY DECLARATION - SUMMARY

INSTITUTIONAL ENVIRONMENT

For information on the institutional environment of the Australian Bureau of Statistics (ABS), including the legislative obligations of the ABS, financing and governance arrangements, and mechanisms for scrutiny of ABS operations, please see ABS Institutional Environment.

RELEVANCE

The 2017 Survey of Characteristics of Employment (COE) presents information about the distribution of weekly earnings in main job and all jobs, employment arrangements, independent contracting, and working arrangements. The collection of a range of socio-demographic and labour force characteristics makes the datasets produced from the survey extremely valuable for comparing and analysing the distribution of both weekly and hourly earnings across different population groups. Data are used in the development and review of wages and labour market policies, and in wage negotiation processes.

TIMELINESS

The Characteristics of Employment survey is conducted annually in August as a supplement to the Australian Bureau of Statistics (ABS) monthly Labour Force Survey (LFS). Results from this survey are released in the publication Characteristics of Employment, Australia (cat. no. 6333.0).

ACCURACY

Estimates from the Characteristics of Employment Survey are subject to sampling and non-sampling errors. Relative standard error (RSE) is a measure of the size of the sampling error affecting an estimate, i.e. the error introduced by basing estimates on a sample of the population rather than the full population. Non-sampling errors are inaccuracies that occur due to imperfections in reporting by respondents and interviewers, and errors made in coding and processing data.

This publication was designed primarily to provide estimates at the Australia level. Broad estimates are available for state/territory and/or greater capital city/rest of state, though users should exercise caution when using estimates at this level because of the presence of high sampling errors. Relative Standard Errors for all estimates are available in the relevant Datacube. More information on Standard Errors is available in the Technical Note of this release.

For further information regarding the accuracy of the COE survey estimates see the Technical Note.

COHERENCE

Caution should be exercised when comparing the estimates from this release with previous similar surveys as some data items have changed and population groups are conceptually different.

Caution should be exercised when comparing results from the 2017 COE to previous Forms of Employment (FOE) (2008–2013) and Employee Earnings, Benefits and Trade Union Membership (EEBTUM) as the population Employees in this release is not directly comparable to the Employees population in both FOE and EEBTUM.

For information on the comparability of time series for the publication Employee Earnings, Benefits and Trade Union Membership, Australia (cat. no. 6310.0), see the Explanatory Notes.

For information on the comparability of time series for the publication Forms of Employment, Australia (cat. no. 6359.0), see the Explanatory Notes.

For information on the comparability of time series for the publication Working Time Arrangements, Australia (cat. no. 6342.0), see the Explanatory Notes.

INTERPRETABILITY

Contained within COE are Datacubes with commented data to aid interpretation of the results of the survey. Detailed Explanatory Notes, a Technical Note and a Glossary are also included providing information on the terminology, classifications and other technical aspects associated with these statistics.

Further commentary is often available through articles and data published in other ABS products, including:

- Australian Labour Market Statistics (cat. no. 6105.0); and
- Concepts, Sources and Methods (cat. no. 6102.0.55.001).

DATA ACCESS

Characteristics of Employment, Australia (cat. no. 6333.0) is released electronically via the ABS website as Datacubes in spreadsheet format. Additional data may be available on request (subject to data quality). Note that detailed data can be subject to high relative standard errors. Full details of data items for this survey are available from the Downloads tabs in Datacube: COE 2017 Populations and Data items list.

For users who wish to undertake a more detailed analysis of the data, the survey microdata will be released through the TableBuilder product. For more details, refer to the TableBuilder information, Microdata, Characteristics of Employment, Australia (cat. no. 6333.0.00.001). For more information see About TableBuilder.

For further information about ABS data available on request, contact the National Information and Referral Centre on 1300 135 070 or via email to <client.services@abs.gov.au>.

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